



New Legislation

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PSAPs

- HEA 1475 – Effective July 1, 2015
- If a county contractually assumed from another political subdivision the responsibility of operating a public safety answering point (PSAP), the fiscal body of the parties to the contract can petition the Department to increase the county's maximum levy and to decrease the other unit's maximum levy by the amount levied previously by the other units.
- If such a petition is made, the Department shall adjust the maximum levies.

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Local Option Income Taxes

- HEA 1475 – Effective July 1, 2015
- A county in which a Public Safety LOIT is not in effect as of July 1, 2015 may adopt a Public Safety LOIT and adopt a resolution providing that up to 100% of the revenue shall be dedicated to a PSAP.
- A county increasing its Public Safety LOIT rate after July 1, 2015 can adopt a resolution providing that up to 100% of the increase shall be dedicated to a PSAP.

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Local Option Income Taxes

- HEA 1475 – Effective July 1, 2015
- A county council or county income tax council may adopt an ordinance to impose a public safety tax rate without also adopting a LOIT Levy Freeze or LOIT for Property Tax Relief rate.

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Local Option Income Taxes

- HEA 1485 – Effective July 1, 2015
- Combines the three separate local income taxes (CAGIT, COIT, CEDIT) into one local income tax starting in 2017.
- OMB and applicable State agencies must prepare a transition report by November 1, 2015.
 - The report must document all terms, conditions, limitations, and obligations that exist for current LOITs.

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Local Option Income Taxes

2015		2017	
LOIT	Purpose	Rate Component	Sub-Allocation
CAGIT/COIT	Budgetary	Expenditure	- Certified Shares - Public Safety - Economic Development
Public Safety LOIT	Public Safety		
CEDIT	Economic Development		
LOIT for Levy Freeze	Budgetary		
LOIT for Property Tax Relief	Property Tax Relief	Property Tax Relief	
CEDIT for Homestead	Property Tax Relief		
Special Purpose	Special Projects	Special Purpose	

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Debt Service Funds

- HEA 1388 – Effective upon passage
- Restricts the operating balance for a debt service fund using the following conditions:
 - The operating balance for the fund overall is the sum of the maximum operating balance allowed for each individual debt.

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Debt Service Funds

- HEA 1388 – Effective upon passage
- Restricts the operating balance for a debt service fund using the following conditions:
 - For debt incurred after June 30, 2014, the lesser of:
 - 15% of the budget estimate for the year after the budget year, or
 - The debt payment to be made in the first 6 months of the year after the budget year.

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Debt Service Funds

- HEA 1388 – Effective upon passage
- Restricts the operating balance for a debt service fund using the following conditions:
 - For debt incurred before June 30, 2014, the lesser of:
 - 50% of the budget estimate for the year after the budget year, or
 - The debt payment to be made in the first 6 months of the year after the budget year.

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Debt Service Funds

- Example:
- Debt issued before June 30, 2014:
 - Total debt payments in 2017 (the year after the 2016 budget year) = \$1,000,000.
 - Payment due in the first half of 2017 = \$400,000.
 - Operating balance allowed = \$400,000
 - Lesser of 50% of total debt payments in 2017 or payment due in first half of 2017.

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Controlled Projects

- SEA 251 – Effective July 1, 2015
- A person that owns property or is registered to vote within a political subdivision may file a petition with the Department objecting that a political subdivision has artificially divided a capital project into multiple capital projects in order to avoid the requirements of petition/remonstrance or referendum.

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Controlled Projects

- SEA 251 – Effective July 1, 2015
- The petition must be filed not more than 10 days after the political subdivision makes the preliminary determination to issue the bonds or enter into the lease for the project.
- The Department shall make a final determination on the issue not later than 30 days after receiving the petition.

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Redevelopment

- SEA 567 – Effective January 1, 2016
- Changes the date of the redevelopment commission treasurer report from before July 1 to before April 1.
 - Fiscal officer of the unit serves as the redevelopment commission treasurer.

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Redevelopment

- SEA 567 – Effective January 1, 2016
- Treasurer of the redevelopment commission may disburse funds of the commission only after the commission approves the disbursement.
- The redevelopment commission may, by rule or resolution, authorize the treasurer to make certain types of disbursements before the commission's approval at the next meeting.

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Redevelopment

- SEA 567 – Effective January 1, 2016
- Consolidates reporting by redevelopment commissions.
- Requires the same level of reporting by redevelopment authorities.

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Redevelopment

2015	2016
Not later than March 15, report to the unit's executive (and filed electronically on Gateway): <ul style="list-style-type: none"> - Names of commission members - Names of officers - Number of employees and salaries - Expenditures in prior year and general purpose - Accounting of TIF revenues expended by any entity receiving the TIF revenues as a grant or loan - Amount of funds on hand at close of year - Any other information 	Not later than April 15, report to the unit's executive and fiscal body (and filed electronically on Gateway): <ul style="list-style-type: none"> - Names of commission members - Names of officers - Number of employees and salaries - Expenditures in prior year and general purpose - Accounting of TIF revenues expended by any entity receiving the TIF revenues as a grant or loan - Amount of funds on hand at close of year - Any other information - Revenues received - Expenses paid - Fund balances - Amount and maturity date for all outstanding obligations - Amount paid on outstanding obligations - Parcel list including AV data
Before August 1, report to the fiscal body: <ul style="list-style-type: none"> - Revenues received - Expenses paid - Fund balances - Amount and maturity date for all outstanding obligations - Amount paid on outstanding obligations - Parcel list including AV data 	
Before October 1, fiscal body submits August 1 report to Department on Gateway	



Redevelopment

- SEA 567 – Effective January 1, 2016
- Changes date by which redevelopment commissions must notify the county auditor and other taxing units of excess AV from before July 15 to before July 1.
- Notice must also be filed electronically with the Department.

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Redevelopment

- SEA 436 – Effective July 1, 2015
- A taxpayer may enter into a written agreement with an entity authorized to establish an allocation area in which the taxpayer waives review of any assessment of the taxpayer's tangible property that is located in the allocation area for an assessment date that occurs during the term of any specified bond or lease obligations that are payable from property taxes from the allocation area.

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Assessment – Personal Property

- SEA 436 – Effective July 1, 2015
- If the acquisition cost of a taxpayer's total business personal property in a county is less than \$20,000 for an assessment date, the taxpayer's business personal property in the county for that assessment date is exempt from taxation.
- Taxpayer must file an annual notarized certification stating that the personal property is exempt.

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Assessment – Big Box Stores

- SEA 436 – Effective March 1, 2014
- For the 2014 assessment date and future assessment dates, real property that is:
 - A limited market or special purpose property (commonly referred to as a big box retail building);
 - At least 50,000 square feet; and
 - Occupied by the original owner or tenant.
- Improvements with an effective age of 10 years or less shall be assessed based on the cost approach, less depreciation and obsolescence.

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Assessment – Big Box Stores

- SEA 436 – Effective March 1, 2014
- Land value shall be assessed separately.
- If a taxpayer requests a review of improvements with an effective age of 10 years or less, the taxpayer must provide information on the actual construction costs.
- If the actual construction costs are greater than the value derived from the cost approach, the AV of the improvements shall be the actual costs less depreciation and obsolescence.

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Assessment – Agricultural Land

- SEA 436 – Effective January 1, 2015
- The ag land base rate for the March 1, 2015 assessment date is \$2,050 per acre.
- For the 2016 assessment date and future years, the base rate is equal to the prior year base rate multiplied by the assessed value growth quotient.

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Appeals

- HEA 1603 – **Effective January 1, 2016**
- The fiscal officer of a taxing unit may establish a property tax assessment appeals fund to hold property tax receipts that are attributable to an increase in the taxing unit's tax rate caused by the allowed AV withholding in IC 6-1.1-17-0.5.

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Appeals

- HEA 1603 – Effective January 1, 2016
- Money in the property tax assessment appeals fund may only be used to pay:
 - Expenses incurred by a county assessor in defending appeals with respect to property located in the taxing district.
 - Refunds due from appeals.

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Appeals

- HEA 1603 – Effective January 1, 2016
- The balance in the property tax assessment appeals fund may not exceed 5% of the amount budgeted by a taxing unit for a particular year.
- Money in this fund is not considered miscellaneous revenue. The balance in this fund is to be disregarded when determining tax levies and rates.

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Appeals

- HEA 1603 – Effective January 1, 2016
- The county assessor shall quarterly send a notice to the fiscal officer of each taxing unit affected by an appeal, including the fiscal officer of an affected redevelopment commission.
- The notice may be provided in an electronic format.

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Appeals

- HEA 1603 – Effective January 1, 2016
- The notice must include:
 - The date on which a notice for review was filed.
 - The name and address of the taxpayer who filed the notice for review.
 - The AV for the assessment date the year before the appeal and the AV on the most recent assessment date.
 - The status of the appeal.

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Refunds

- SEA 436 – Effective upon passage
- Applies to any refund for a property resulting from an appeal for the 2014 assessment date or any prior assessment date, not already paid as of May 1, 2015.
- If the refund is \$100,000 or more, the county auditor may, instead of a refund, elect to apply credits in equal installments to future property tax installments for the property over a period of not more than 5 years.
- The auditor may elect to accelerate credits to provide a full or partial refund within the 5 year period.

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Annexation

- SEA 330 – Effective July 1, 2015
- For annexations adopted after June 30, 2015, agricultural land is exempt and remains exempt from the municipal taxes while assessed as agricultural land.
- IMPLEMENTATION – The preferred approach is to place these properties into their own taxing district which is clearly labeled as “Municipal Tax Exempt”.

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Tax Rate Chart

- HEA 1495 – Effective July 1, 2015
- Changes the responsibility for publishing the notice of the tax rates from the county treasurer to the county auditor.

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Deadlines

- HEA 1603 – Effective January 1, 2016
- If a deadline imposed on a political subdivision, the Department, or the Indiana Board of Tax Review by IC 6-1.1 is not a business day, the last day for the action required is the first business day after the stated deadline.

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Special Meeting

- HEA 1495 – Effective July 1, 2015
- Changes the notice of a special meeting from 6 days to 48 hours, unless the meeting is called to deal with an emergency under IC 5-14-1.5-5.

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Volunteer Firefighters

- HEA 1264 – Effective Upon Passage
- Starting with the 2016 budgets, a member of the fiscal body of a unit (meaning city, town, or township) may not participate in a vote on the adoption of the unit's budget and tax levies if the member is a volunteer firefighter in: (1) a volunteer fire department or (2) a fire department that provides fire protection services to the unit under a contract (excluding a mutual aid agreement) or as the unit's fire department.

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Volunteer Firefighters

Continued . . .

- If at least a majority of the members of the unit's fiscal body are precluded from voting on the unit's budget and tax levies, the unit's most recent annual appropriations are continued for the ensuing budget year, subject to the following . . .

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Volunteer Firefighters

Continued . . .

- 1) The executive of the unit may petition the county fiscal body for an increase in the unit's budget.
- 2) The executive of the unit may petition the county fiscal body for any additional appropriations.

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Volunteer Firefighters

Continued . . .

- Specifically, the executive of the unit may petition the county fiscal body for an increase in the unit's budget and property tax levies. The county fiscal body may grant or deny the petition only after conducting a public hearing on the petition.
- The county fiscal body may adopt any additional
- appropriations of the unit by ordinance before the Department may approve the additional appropriation.

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Volunteer Firefighters

So how will this all work?

- First, the Department will be asking that each city, town, and township provide it with a letter documenting the composition of the unit's fiscal body. This will help units know if they are subject to this new provision.
- A city, town, or township that anticipates being unable to adopt a 2016 budget (because its fiscal body is composed of a majority of volunteer firefighters) AND that wants an increase to the unit's budgets must, via the unit executive, petition the county fiscal body for the increase and for adoption of any additional appropriations.
- There is no particular format or structure for the unit's petition; a letter would suffice.
- **The Department very strongly recommends that the public hearing AND county fiscal body determination occur on or before November 2, 2015!**

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Volunteer Firefighters

So how will this all work?

- The county fiscal body should issue its determination in the form of an ordinance or resolution.
- The county fiscal body "may grant or deny" the unit's petition for an increase in its budgets; statute does not authorize the county fiscal body to modify (reduce) the unit's proposal.
- Notice of the public hearing is governed by the Open Door Law (48-hour notice); to the extent the unit and county fiscal body can coordinate and allow for enough time, the Department strongly recommends that notice of the hearing be published in the correct newspaper(s) at least ten days before the hearing.

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Volunteer Firefighters

So how will this all work?

- Upon receipt of the county fiscal body's determination, the city, town, or township must upload a copy of the unit's petition and a copy of the county fiscal body's determination to Gateway within 48 hours of November 2, 2015.
- In this situation, the unit will not have a Form 4 to upload. The unit must still upload all the other budget documentation (e.g., Form 3).
- In the event a city, town, or township subject to IC 36-1-23 fails to comply with that statute, there will be no penalty to the county unit. The city, town, or township's penalty will be certification of the lesser of the unit's prior year budgets, rates, and levies or the unit's proposed budgets, rates, and levies.

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Contact the Department

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